



NEWS RELEASE

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COMMUNITY EXPRESS LENDERS SELECT TARGET AREAS FOR INNOVATIVE PILOT LOAN PROGRAM

WASHINGTON – Nine major American banks participating in the U.S. Small Business Administration's (SBA) new Community Express Pilot Loan Program have selected more than 20 areas to begin making loans under the program, SBA Administrator Aida Alvarez announced today.

Under the Community Express Pilot Program, participating lenders will adopt streamlined processing and approval procedures for SBA-backed small business loans in the targeted areas. The lenders, working in concert with the National Community Reinvestment Coalition (NCRC), will provide technical assistance to the borrowers through community-based, nonprofit NCRC member organizations.

"This innovative pilot program will help newer and smaller businesses in New Markets areas succeed by making sure that access – access to credit and technical assistance – is part of the solution, not part of the problem," Administrator Alvarez said. "This creative, three-way public/private partnership will help us open doors of opportunity wider."

The lenders are members of the NCRC's Banker/Community Collaborative Council. All of them have preferred lender status in SBA's 7(a) General Business Loan Guaranty program. They are: BankBoston, Bank of America, Bank One, Chase Manhattan Bank, Chase Bank of Texas, Wachovia, European American Bank, Mellon Bank and Wells Fargo.

The lenders and the areas they will operate are:

Bank Boston – Boston, MA, and Hartford, CT

Bank One – Chicago, IL, and Milwaukee, WI

Bank of America – Dallas, TX; Los Angeles, CA; Miami, FL; Pensacola-

Tallahassee corridor in FL; San Francisco, CA, and Oakland, CA

Wachovia – Durham, NC, and Greensboro, NC

Chase Bank of Texas – Houston, TX

Chase Manhattan Bank – New York City; Long Island; Rochester, NY, and western New York state, including Buffalo

European American Bank – New York City and Long Island

Mellon Bank – Philadelphia (Philadelphia County), PA, and Pittsburgh (Allegheny County), PA

Wells Fargo – Phoenix, AZ, and Seattle, WA

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The pilot is scheduled to run for five years, and SBA expects to add additional lenders later this year.

Participating lenders will adopt streamlined loan processing and approval procedures similar to those used in the *SBAExpress* program. Under *SBAExpress*, lenders perform credit analyses, use their own paperwork and are permitted to apply SBA guaranties to loans without SBA's direct involvement. In return for this flexibility, lenders making *SBAExpress* loans agree to accept a maximum loan guaranty of 50 percent.

Under Community Express, the same processing procedures will be adopted, but the guaranty percentages will be increased to 80 percent for loans up to \$100,000, and to 75 percent on loans up to \$250,000.

The loans include term loans, lines of credit and commercial mortgages. Loan proceeds can be used for purchasing inventory, machinery and equipment, land and buildings and for working capital.

The critical element of the program is the link between the SBA-backed loans and the technical assistance that will be funded by lenders and provided by NCRC member organizations. Borrowers will receive hands-on training and support, both before and after loan closings.

The Community Express pilot program is part of SBA's New Markets Initiative, which is designed to spur economic development and job creation in untapped rural and inner city communities with venture capital, commercial loan credits and technical assistance.

NCRC is a nonprofit trade association comprised of 680 dues-paying community development and advocacy groups. Members are committed to revitalizing distressed communities. NCRC's mission is to ensure fair and equal access to credit, capital and banking services and products to these communities. NCRC seeks to develop and support long-term solutions that provide resources, knowledge, and skills to build community and individual net wealth.

For more information on these and other SBA programs, call the SBA Answer Desk at 1-800-U-ASK-SBA, or visit the SBA's extensive website at www.sba.gov.

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